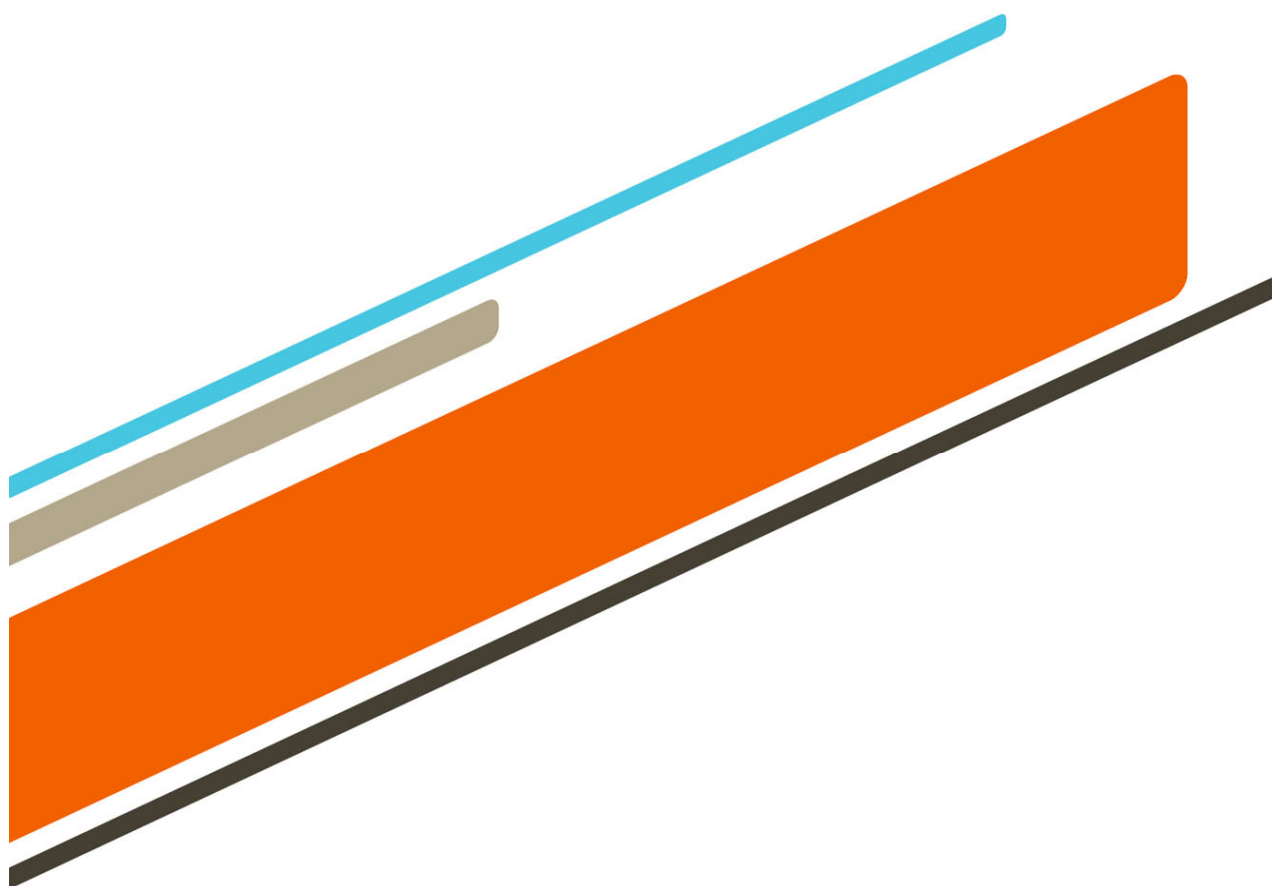




# REQUIREMENTS FOR FUNDING TRAIN TO GAIN VERSION 2 2006/07

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# Requirements for Funding Train to Gain 2006/07

## Summary

The Learning and Skills Council (LSC) has responsibility for planning and funding the Train to Gain service. This document sets out the LSC's approach to funding Train to Gain in 2006/07. It constitutes an integral part of the LSC's funding agreement.

**This document is of interest to Skills Brokers, employers, institution principals, senior managers in further education (FE) colleges, chief executives of training providers, their managers, staff delivering programmes and administrators.**



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#### Further information

For further information, please contact the appropriate local Learning and Skills Council office.

Contact details for each office can be found on the LSC's website: [www.lsc.gov.uk](http://www.lsc.gov.uk) or visit [www.traintogain.gov.uk](http://www.traintogain.gov.uk) for details of the service.



## Executive Summary

**Subject:** Requirements for Funding Train to Gain

The Learning and Skills Council (LSC) has responsibility for planning and funding the Train to Gain service in England.

In setting out the approach for 2006/07, the LSC seeks to establish strategic relationships with employers, Skills Brokers and providers, with an emphasis on trust and openness. Providers and local LSCs will need to develop strong partnership approaches to ensure that the needs of local employees and employers are met.

# Requirements for Funding Train to Gain 2006/07

## Introduction and Background

### Definitions

Definitions of the terms used in this document are set out within the Glossary in Annex I.

### Funding principles

1. This document forms part of the general terms and conditions of accessing the discrete Train to Gain funding. The LSC seeks for all learning sectors to:
  - ensure funding follows the learner
  - reflect Ministers' priorities in the funding approach
  - pay only for what is delivered
  - purchase only what is required.
2. To ensure that the costs of efficiently delivered provision are reflected in the national rates, the LSC gathers and reviews the available evidence that relates to such costs.
3. The service will offer impartial advice, match training needs with training providers and ensure that training is delivered to meet employers' needs.
4. Both the training and skills advice offered will be: impartial, flexible, responsive and offered at a time and place to suit businesses.

## LSC Approach to Funding and Contracting

### Background

5. The success of Employer Training Pilots has ensured the delivery to all LSC areas of the Train to Gain service. The introduction of Train to Gain is a major step-change in enabling employers to develop the skills of their employees and, in doing so, improve business performance.
6. The new Skills Brokerage service that will spearhead the Train to Gain offer to employers will integrate at regional level through powerful new partnerships, a Skills Brokerage service dedicated to Train to Gain, and the Business Link branded generalist information, diagnostic and brokerage service (IDB) that will support employer's wider business development needs. Independence and impartiality will be the core



principles of this integrated service to ensure employer's needs are effectively analysed and relevant solutions provided. Train to Gain will enable many more adults to achieve a first full Level 2 qualification and to improve their basic literacy and numeracy skills, there will be no 'product-push' of these qualifications as Skills Brokers will utilise a wide range of training and development solutions many of which will not be qualifications-bearing or be publicly subsidised.

7. Prior permission must be obtained from the LSC before sub-contracting provision. Any changes to such a sub contracting arrangement must also only be undertaken with prior permission.
8. The broker and provider shall deliver services to an acceptable standard of quality as defined by the LSC.

### **Service Objectives and Targets**

9. The LSC is therefore seeking in 2006/07 to have 33,000 employer engagements and in 2007/08 a further 52,000. Discrete Train to Gain funding in 2006/07 will be £230 million and then £399 million in 2007/08.
10. Whilst the service is employer-led it is anticipated that there will be a major increase in learners gaining their first full Level 2 qualification. Train to Gain will be required to deliver first full Level 2 qualifications of 63,000 in 2006/07, 140,000 in 2007/08 and by the time full service capacity is reached 175,000 in 2008/09. The intention is that over 500,000 learners will have gained their first full Level 2 qualification by 2010 via the Train to Gain service.
11. Train to Gain will thereby assist with the LSC's role in meeting two Public Sector Agreement targets:-

- **To reduce by at least 40% the number of adults in the workforce who lack NVQ 2 or equivalent by 2010. This equates to an additional 3.6 million first Level 2 or higher qualifications**
- **By 2006, to increase the proportion of 19 year olds achieving Level 2 or better by three percentage points (from 67% to 70%). By 2008, to increase the proportion by a further two percentage points (from 70% to 72%).**

12. In order to evaluate the success of the service the following questions will be addressed:





**a) Employer**

Was the supply of training delivered flexibly and responsively according to employer's needs, choice and satisfaction that enabled increased productivity and business competitiveness?

**b) Employee**

Did employees receive a training experience and / or qualification that was of high quality, relevant and accessible?

**c) Skills Broker**

Did the brokerage service deliver impartial, demand-led and business-focussed advice?

**d) Provider**

Did providers develop their capacity, standards and quality to meet employer needs?

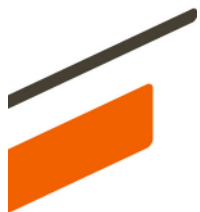
**e) Value for Money**

Did the service engage hard to reach employers and drive up **new** demand for training, additional to what was previously delivered?

## Timetable for Implementation

Train to Gain is being implemented in two stages.

13. From April to July 2006 it will be available in the 20 LSC areas that are currently Employer Training Pilots (ETP). The funding arrangements for learners starting in this period will be very similar to ETP and the LSC will use the same IT system as ETP.
14. From August 2006, Train to Gain will be available in all 47 LSC areas in the country as well as through the National Employer Service. There will be new funding arrangements for learners recruited after July 31st.



# Funding Rates



Guidance for funding between 1 April to 31 July 2006 can be found in Annex J.

## Funding 1 August 2006 to 31 July 2007

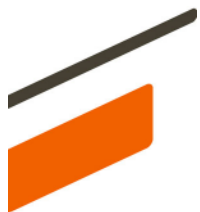
15. There are new arrangements for learners starting from 1 August 2006, which will be for the whole of England. Within the arrangements there are three types of funding that are available to providers. The Skills Brokers will offer employers' a choice of providers, typically from a list of approved Train to Gain providers. Employers choose which providers they wish to use, and can choose a provider not on the list, as long as the provider meets the LSC's quality, performance and financial requirements (and will be subject to ALI inspection).

16. The three types of funding are:

**Type A:** funding through mainstream further education allocations that have been made available to colleges and other providers who will incorporate 'Train-to-Gain like' activities within their normal programmes. In broad terms this will be provision categorised as mode 2 and 3 type delivery. Local LSCs will agree with providers what level of funding will be used for this purpose, which will be at least the same and, in most cases, higher than providers' employer-based delivery in 2005/06.

**Type B:** Planned but subject to employer choice funding that is made available from the discrete Train to Gain budget (up to 80% of the participation funding) that will be subject to new funding arrangements. Following a tendering exercise, framework agreements will be made between the LSC and providers prior to August 2006. The funding will be paid using new funding rates and new arrangements, based on actual learner activity that follows employer agreement.

**Type C:** Regional Response (in-year commissioned) funding that is also made available from the discrete Train to Gain budget (at least 20% of the participation funding) that is also subject to new funding arrangements. This Regional Response funding will be agreed in the year between the LSC and providers. Typically it may be utilised where an employer identifies a provider who has not initially been approved as a Train to Gain provider by the LSC. In-year, at the discretion of the LSC, it could also be utilised to increase the allocations for existing providers where demand is greater than their contracted agreements. The provision of services by a new provider is subject to successfully passing through the LSC approval process.



## Funding Rates

17. Funding Rates are set out in the table below. They are linked to the sector subject areas and a full list of them is included in the Learner Aim Database that is available on the LSC's website at [www.lsc.gov.uk](http://www.lsc.gov.uk). These rates include payments for information, advice and guidance, and training needs analysis that will no longer be funded separately. These rates are expected to cover all costs including qualification registration and examination fees.
18. There are rates that will apply for learners starting between 1 August 2006 and 31 July 2007. They give two rates for each first full Level 2 programme and a single rate for Basic Skills. This is consistent with the approach the LSC previously proposed in its funding approach within **agenda for change**. The higher and lower rates are intended to reflect the different costs incurred by providers to train each individual. This is based on the assess/train/assess concept and both the funding rates include elements for providers to give initial advice and guidance and assess training needs for each individual learner.
19. The higher rate can only be claimed where providers are delivering at least 20 contact hours of learning consisting of underpinning knowledge and understanding as well as the support and assessment of the qualification. Where the proportion of training is more limited, below 20 hours, and assessment predominates - the lower rate should apply. The levels of funding that should be claimed for full first Level 2 qualifications are shown in the following table.

Activities	Level two funding rates	
	Higher	Lower
Initial advice and guidance	✓	✓
Individual training needs analysis	✓	✓
Underpinning knowledge and understanding (see also paragraph 19 above)	20 contact hours or more	Less than 20 contact hours
Support and assessment	✓	✓

20. Providers are required to claim funding accurately and maintain auditable evidence. The LSC will monitor the numbers of funding claims at each level.

Train to Gain Funding Rates Learners starting from 1 August 2006		
First Full Level 2		
Sector Subject Area	Higher Rate	Lower Rate
Health, Public Services and Care	£1,500	£750
Agriculture, Horticulture and Animal Care	£1,500	£750
Engineering and Manufacturing Technologies	£1,800	£900
Construction, Planning and the Built Environment	£1,800	£900
Information and Communication Technology	£1,200	£600
Retail and Commercial Enterprise	£1,200	£600
Transportation	£1,800	£900
Hair and Beauty	£1,500	£750
Hospitality	£1,200	£600
Leisure, Travel and Tourism	£1,200	£600
Business, Administration and Law	£1,200	£600
<b>Basic Skills (one rate only)</b>	£720	

21. These are the funding rates for successful learners. The payments will be made using the profile of:
  - 50% for learners starting programmes
  - 50% for learners successfully completing their programmes and achieving the qualifications.
22. The ratio of higher rate to lower rate learners will be discussed and set out in the contracts with providers. The actual ratio will be monitored in year and payments amended according to the timetable for reconciliation specified in the contract.
23. Learner and employer satisfaction levels will be monitored to ensure that the provider delivers the most appropriate learning packages for each learner. Evidence of providers delivering inappropriate or excessive training programmes will feed into provider reviews and subsequent contract discussions.

### Area costs

24. The LSC recognises that there is a marked difference in relative costs between London/South-East and the rest of England. The LSC has conducted research and funding rates will be increased according to the geographical location of the provider using the table overleaf.

25. In 2006/07 area cost uplifts will apply at the point of delivery i.e. apply to provision delivered in geographical areas that attract an uplift. Exceptionally claims will be considered for revised area uplifts where there are significant amounts of out of area working. This policy will be reviewed for 2007/08.

Local LSC region and districts	Area uplifts 2006/07
London A	20%
Berkshire (fringe and non-fringe)	12%
Crawley	12%
London B	12%
Surrey	12%
Buckinghamshire fringe	10%
Hertfordshire fringe	10%
Bucks non-fringe	7%
Oxfordshire	7%
Essex fringe	6%
Kent fringe	6%
Beds	3%
Herts non-fringe	3%
Hampshire and Isle of Wight	2%
West Sussex non-fringe	1%
Rest of England	0%

Further details showing which boroughs are in inner and outer London, and the definition on fringe areas are shown in Annex A. London will have specialist rates for 2006/07.

## Disadvantage

26. The LSC is not including any disadvantage uplift in the funding arrangements for the discrete Train to Gain fund.

## Additional Learning Support

27. The LSC will consider, on an exceptional basis, claims for additional activities that provide direct learning support to learners. As the majority of learning provision on Train to Gain is likely to happen in the workplace, there will be few - if any - additional 'costs of learning' for individual participants to bear. With this in mind it is considered extremely unlikely that learners will need to apply for financial learner support. However any individual's eligibility for learner support should be determined by the context in which their learning takes place. The activities must be additional to what should be provided by the employer to support the learner's employment.

28. The additional activities could include:
  - equipment for learners with disabilities and/or learning difficulties for learning activities that are part of the training and would not normally form part of the employee's work
  - transport between sites and to other off-site activities associated with the training for learners with significant mobility difficulties, but not home-to-employer or home-to-provider.
29. There is a threshold of £171, below which the LSC will not consider claims as providers are expected to manage their budgets to provide additional learning support for all learners below this figure.
30. The LSC will not consider claims for additional teaching to provide literacy or numeracy support for learners studying a vocational programme. It is expected that this support should be integrated with the vocational programme and supported by that programme's funding. However, the learners' needs must be addressed to ensure that the individual training needs assessment ensures that the most suitable programme is offered to each learner. In some cases it may be more appropriate that the learner studies a Basic Skills programme before starting a full Level 2 qualification.
31. Two percent of each Regions' budget is allocated for additional learner support within the allocations that have already been announced. LSC Regions will determine whether Additional Learning Support is provided centrally or across a range of providers.

## Claiming Funding

32. For learners starting between 1 August 2006 and July 2007, there are two ways that funding will be claimed.
33. For learners funded through mainstream further education (type A), standard further education processes will operate. This means providers will be funded using a monthly profile. During the year providers will discuss progress towards their targets with the LSC and changes to the funding allocation will only be made on an exceptional basis. Providers will send data for these learners in their FE Individual Learning Record (ILR) return in-line with the existing timetable.
34. For learners funded from the discrete Train to Gain budget (types B or C), new arrangements will apply. Funding will be paid based on actual learner activity. This is consistent with the Government's new agenda of learner and employer choice driving the system and funding should be more 'real time'.
35. Data for Train to Gain funded learners for 2006/07 will also be collected via existing ILR returns. The ILR has been changed to allow Train to Gain funded learners to be identified and to collect the data required to support Train to Gain, including the Employers unique reference number supplied by the Skills Broker. Learners must be flagged as Train to Gain on the ILR.



The data required for Train to Gain is described in the Specification of the Individualised Learner Record for 2006/07 which is available from the data section of the LSC website at:

<http://www.lsc.gov.uk/National/Partners/Data/DataCollection/ILR/ILR0607.htm>

36. Providers currently funded with a workbased learning contract (including FE providers who also have a WBL contract) and all other providers who do not have an FE funding allocation will send ILR data using the Work Based Learning format ILR and return dates. Further education providers who have no Work Based Learning contracts may send Train to Gain the data in their FE ILR and will be asked to make five returns a year in line with current FE timescales and including the returns currently used for European Social Fund claims.
37. Providers are required to carry out checks of learner eligibility in all cases. Learners are required to confirm that they are eligible and do not already possess full Level 2 qualifications – see Annex D for the Learner Declaration. Only those learners without prior Level 2 attainment are eligible for funding. For further detail see page 18 “Eligibility”. In cases where contractual requirements have not been met and LSC funds have been paid in error, the LSC is obliged to recover those funds from the relevant provider, Skills Broker or employer.

## **Learner Start**

38. A start is considered to be when a learner takes part in a least one learning activity with the training provider. It is likely to involve direct face-to-face contact with a member of the provider’s staff. The activity has to involve learning that is more than an administrative enrolment process but can include the individual’s advice and guidance and the development of a learning plan.
39. The provider will maintain auditable evidence of the first learning activity. The evidence will need to include at least an Individual Learning Plan, enrolment onto an identified course of learning and evidence the learner has attended structured learning/ assessment of at least 2 hours.





# Contribution to wage costs

**Separate detailed procedures are available for the contribution to wage costs.**

- 40. Employers with fewer than 50 full-time equivalent employees may be eligible for a contribution to wage costs incurred when releasing eligible employees for training with their provider during normal working hours.
- 41. The contribution is only available for employees who achieve their first full Level 2 and/or approved Basic Skills qualifications. Eligible employers with Level 3 'jumpers' are also eligible. The contribution will only be paid for employees that achieve the above qualifications. The contribution is £5 per hour or actual hourly wage depending on employer choice. This contribution will be available up to a maximum of 70 hours.
- 42. Payments are made to the employer through National Office.

## **Skills Broker responsibilities**

- 43. The broker is responsible for providing information to eligible employers on wage compensation, establishing employer eligibility and allocating an Employer ID.
- 44. In cases where a provider has recruited a potentially eligible employer, the contact details must be passed to the broker to take this forward. Employers must register for the scheme with a Skills Broker before or during commencement of agreed training.
- 45. The Skills Broker is responsible for obtaining bank details from employers and ensuring the necessary paperwork has been completed in order to register the employer.
- 46. On achievement of approved qualifications by employees, the Skills Broker facilitates payment to the employer by submitting employer claims to the LSC for payment. The Skills Broker also ensures that the necessary claim paperwork is in place prior to a claim being processed for payment.

## **Employer responsibilities**

- 47. The employer is required to sign up for a contribution to wage costs through the Skills Broker contact. In signing the registration form, the employer agrees to the terms and conditions of the contribution scheme, including the release of employees for direct training.
- 48. The employer is required to confirm the actual number of hours of delivery within working hours for each eligible learner prior to making any claim. This confirmation is raised by the provider and signed by the employer, employee and provider.



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## Provider responsibilities

49. Where a provider has recruited an employer for Train to Gain that meets the eligibility criteria, they must pass the employer details to a Skills Broker who will contact the employer to arrange a “light touch” follow-up.
50. Providers are required to obtain confirmation signatures from the learner and employer regarding the total number of hours the employee was released from their normal work duties to work towards their qualification. The number of hours relates to the number of total ‘contact’ hours the learner has had with the training provider in order to achieve their qualification. Time spent alone by the learner to complete work or time spent outside of normal working hours do not qualify for a contribution.
51. The provider sends this confirmation to the Skills Broker to support an employer’s claim for a contribution. A sample form suggested for use by providers is available in the separate procedures document for the contribution scheme. Providers may use forms already utilised by their organisation if it contains all of the information detailed in the sample form.



# Eligibility

## Learners Eligible for Service Funding

52. To access Train to Gain discrete funding the individual must be an employee i.e. possess a contract of employment with an employer.  
**Individuals must not already hold a full Level 2 qualification.**  
Where the employee already holds a full Level 2 qualification, irrespective of when achieved, then a broker may identify further Level 2 training but this can only come through Type A funding (FE mainstream redeployed funds) and only if they or their employer pays the appropriate proportion of the fee.
53. Learners who do not already possess a full Level 2 qualification are also eligible for Train to Gain if they go straight to a full Level 3 qualification. These learners are referred to as 'Level 3 jumpers'.
54. Those individuals possessing a "thin" that is only part of a Level 2 qualification, would be eligible. This would, for instance, cover learners who may have a VRQ (Vocationally Related Qualification) through the Employer Training Pilots, and who now wish to gain a full Level 2 qualification. Given the learner will already possess part of a qualification it is expected that support will be provided through the lower funding rate.
55. The learner must be granted paid time to train during working hours detailed within the contract of employment.
56. Volunteers will not possess a contract of employment and are therefore ineligible.
57. Learners aged between 16-18 are already legally entitled to free learning and therefore are not eligible for Train to Gain funding. There is no upper age limit although the economic returns of those near retirement are more limited given a potential short period remaining in the labour market.
58. The Apprenticeship is the government's preferred option for vocational learners aged between 19 and 25 and they should be recruited onto the Apprenticeship programme wherever possible. Apprenticeships will be supported by the Work Based Learning (WBL) funding stream with varying levels of employer contribution required. See paragraphs 125 to 135 for more details.
59. Agency staff are covered by Train to Gain via their employer who issues a contract of employment subject to them receiving paid time to train.
60. Employees who are on New Deal programmes do not qualify for Train to Gain. When their New Deal programme ends they can then be included within Train to Gain.
61. Individuals resettled into the community after release from prison, will be eligible for Train to Gain upon obtaining a contract of employment



(subject to the normal eligibility rules). Category D, pre-release prisoners on paid work experience, are not eligible under Train to Gain, but may be eligible for other support under Further Education funding regulations

62. The LSC has adopted a common set of learner eligibility criteria for all the Train to Gain, FE and WBL funding streams. These are set out in the following paragraphs.
63. The LSC has a duty to secure, in relation to England only, the provision of:
  - proper facilities for education (other than HE), training and organised leisure time occupations connected with such education and training suitable to the requirements of persons who are above compulsory school age but have not attained the age of 19
  - reasonable facilities for education (other than HE), training and organised leisure time occupation connected with such education and training suitable for the requirements of persons who have attained the age of 19
  - ensure that such provision is clearly evidenced by documentation as supporting a quality service and reserves the right to require return of funding where such evidence is not demonstrated.
64. The LSC regards as ordinarily resident in a given country or region any person who habitually, normally and lawfully resides from choice and for a settled purpose in that country. Temporary absences from the relevant area should be ignored. If someone has not been ordinarily resident because he or she, their parent or their spouse were working temporarily abroad, they will be treated as though they have been ordinarily resident in the relevant area.
65. Someone who has “no recourse to public funds” included in their passport stamp would not be in breach of their immigration conditions if they had access to education in the UK. “Public funds” are defined in the Immigration Rules, and the benefits and services listed do not include education or any education funding.
66. The following persons will be eligible for funding (these groups correspond to the groups listed in the Education (Fees and Awards) Regulations 1997 (the Regulations):
  - A person on the relevant date who is “settled” in the UK, and who has been ordinarily resident in the UK and Islands (that is, including the Channel islands and the Isle of Man) for the three years preceding the relevant date and whose main purpose for such residence was not to receive full-time education during any part of the three-year period. “Settled” means having either Indefinite Leave to Enter or Remain (ILE/R) or having the right of abode in the UK.



British citizens and certain other citizens have the right of abode in the UK:

- i) persons with European Community – United Kingdom of Great Britain and Northern Ireland Passports
  - ii) British Dependent Territory Citizens (now known as British Overseas Territory Citizens)
  - iii) those whose passports have been endorsed to show they have Right of Abode in the UK
  - iv) those who have a certificate of naturalisation or registration as a British Citizen.
- a national of any European Union (EU) country or the child of an EU national who has been ordinarily resident in the European Economic Area (EEA) for the three years preceding the 'relevant date', and whose main purpose for such residence was not to receive full-time education during any part of the three-year period. Spouses of nationals are not eligible unless they are eligible in their own right
  - learners from the 10 countries joining the EU on 1 May 2004 who have been previously resident in the Accession Countries will be eligible for funding at the 'home' rate from 1 May 2004 for programmes that start on or after that date (subject to the student meeting the normal three-year residency requirements in the new enlarged EU) for tuition fee purposes. Students already on a continuing programme of study will be treated as 'home' students from the next term that starts after 1 May 2004
  - an EEA migrant worker or the spouse or child of an EEA migrant worker who has been ordinarily resident in the EEA for the three years preceding the 'relevant date' and whose main purpose for such residence was not to receive full-time education during any part of the three-year period
  - anyone who is recognised as a refugee by the UK Government (granted Refugee Status) who has remained ordinarily resident in the UK and Islands since so recognised, or the spouse or child of such a refugee
  - anyone refused Refugee Status but who has been granted Exceptional Leave to Enter or Remain (ELE/R) by the UK Government and has remained ordinarily resident in the UK and Islands since so recognised, or the spouse or child of such a person
  - learners studying under reciprocal exchange agreements.



67. In addition to the groups above, the LSC will also consider the following groups of learners to be eligible for LSC funding:
- persons who have legally been living in England for the three years immediately preceding the start of the programme ignoring
  - temporary absences. This does not include persons with time-limited leave to remain where this does not extend to the planned end date of the proposed learning aim of study
  - asylum-seekers and their dependants in receipt of either:
    - income-based benefits; or
    - assistance under the terms of the Immigration and Asylum Act 1999 or the Children Act 1989; or
    - voucher assistance from the National Asylum Support Service; or
    - assistance under the National Assistance Act 1948
  - persons with humanitarian protection (HP) or discretionary leave (DL) or exceptional leave to enter or remain (ELE/ELR), their spouses and children
  - persons with recently settled status. This means those having been granted Indefinite Leave to Enter or Remain (ILE/R), Right of Abode or British Citizenship within the three years immediately preceding the start of the programme
  - the spouse of a person with settled status, who has been both married and resident in the UK for one year.

### **Learners from Wales and Scotland**

68. Providers are reminded that Wales and Scotland have their own funding arrangements. For purposes of the Train to Gain service the employer or place of employment must be in England.

### **Learners employed temporarily outside England**

69. Where, as part of the requirements of employment, a person who is ordinarily resident in England is required to work outside England for short periods, that person will continue to be eligible for funding. Providers will continue to be responsible for and to provide support as detailed in the programme specifications throughout any period when the learner is in employment outside England. Where the period of absence will affect the completion of a programme, then an agreed break in learning should be considered.
70. This includes the funding eligibility where the individual normally resides in other parts of the UK, but is working elsewhere in England
71. Where an individual normally resides in England but is working outside, including both cases where the individual begins a programme in England and then works elsewhere while enrolled on this programme, and cases where the individual commences a programme whilst working



outside England. In both cases, the LSC will fund the programme to completion. It is expected that such provision will be made through distance learning or through learndirect, other than in exceptional circumstances.

## **Employers eligible to access the Train to Gain service**

72. Primarily Skills Brokers will target new, Hard to Reach employers which will have less than 5000 employees. The National Employer Service will provide Skills Brokerage services for large (5000 employees or more) national, multi-sited employers.
73. New employers are defined as those that have not provided substantial vocational training leading to a qualification in the previous 12 months. Hard to Reach employers are defined as those without Investors in People recognition and have not accessed substantial vocational training leading to a qualification within the last 12 months.
74. “Substantial vocational training” is defined separately between employers with 50 or more employees and those small companies with below 50 employees. The definitions below are for guidance and the LSC does not expect them to be applied in an overly mechanistic fashion:
  - For employers with 50 or more employees, substantial equates to 10% or more of their workforce being involved in vocational training leading to qualifications in the past 12 months
  - For employers with less than 50 employees, substantial equates to 30% or more of their workforce being involved in vocational training leading to qualifications in the past 12 months.
  - A small company is defined as those with below 50 employees, Balance Sheet total not more than £2.8 million and Turnover not more than £5.6 million
75. Employers must grant learners paid time to train during working hours detailed within the contract of employment.
76. The service will be open to all types of employer including private, franchise, public and voluntary bodies. Private schools are eligible provided they are not under contract through the LEA
77. Whilst the public sector is included Central Government Departments and their agencies should lead by example and invest in the development of their workforce. Therefore it is considered inappropriate for them to receive Government funding to train/develop their staff. A list



of Central Government Department's and their agencies can be found on [www.direct.gov.uk](http://www.direct.gov.uk).

- 78. The voluntary sector is included where there are employees. Volunteers are excluded from the Train to Gain service but will be able to access the Level 2 entitlement through existing channels.
- 79. Sole traders are not able to access support from the discrete Train to Gain fund although they can access learning as individuals through the Level 2 entitlement. Sole traders can be supported by the Skills Brokerage service, if they are a priority area for the Regional LSC. We expect this to be a very minor part of the Train to Gain service
- 80. An exception to paragraph 79 above is where the individual has registered with the Inland Revenue CIS4 status as a Self Employed Builder. A building company employing such a self employed builder will be permitted to access the Train to Gain service.

## Programmes eligible for funding

- 81. Train to Gain discrete funding supports learners towards first full Level 2 and approved Basic Skills qualifications at Level 2 only. Learners who do not already possess a full Level 2 qualification are also eligible for Train to Gain if they go straight to a full Level 3 qualification. These learners are referred to as 'Level 3 jumpers'.

### Core Offer of Train to Gain

- 82. 'Full Level 2' qualifications are defined as those so identified on the LSC Learning Aims Database.
- 83. Train to Gain discrete funding is available for learners that do not already have a first full Level 2 qualification or equivalent, which equates to a qualification equivalent in standard and breadth to 5 GCSEs at Grade A\* - C, irrespective of when the qualification was achieved.
- 84. Providers are required to carry out checks of learner eligibility in all cases. Learners eligibility will be determined using a process of self-declaration by the learner stating that they do not already have a first full Level 2 qualification. Confirmation of eligibility is based on a question taken from the national Labour Force Survey (LFS) about the level of qualifications already achieved and must be endorsed by the learning provider. All learning providers will use a standard form of words for the self-declaration of eligibility, a draft example of which has been produced by LSC National Office – attached at Annex D.
- 85. Train to Gain specific funding is not available for any Level 2 vocational qualifications that are not classified as full i.e. "thin" qualifications.



## Additional element of Train to Gain

86. Additional elements may be offered at a Regional or Local level to meet specific priorities depending on other funding sources.
87. These flexible elements may meet such specific needs as support for Foundation Degrees, continuation of support for individual skills when moving from Welfare to Work into employment and recruitment solutions through Job Centre Plus. They may also be funded by partner organisations for example using European Social Funds.

## Induction

88. All learners must receive a comprehensive induction that covers, as a minimum, the following:
  - programme content, delivery and assessment arrangements
  - equality and diversity
  - health and safety; the Safe Learner Principles
  - disciplinary and grievance procedures
  - terms and conditions of learning.

## Equality and Diversity

89. The LSC has a duty to promote equality and diversity, in Section 14 of the Learning and Skills Act 2000.
90. Skills Brokers, providers and employers must abide by the provisions of Race Relations Act 1976, Sex Discrimination Act 1975, Disability Discrimination Act 1995, Employment Equality (Sexual Orientation) Regulations 2003, Employment Equality (Religion or Belief) Regulations 2003 or any statutory provision or re-enactment thereof or any other statutory provision relating to discrimination in employment or the provision of services.
91. The LSC will require Skills Brokers to monitor adherence to these legal obligations and will additionally examine performance of the service delivered.

## Health and Safety

92. Under the *Learning and Skills Act 2000*, the Learning and Skills Council (LSC) is required to secure proper facilities for the training and education of the people that it funds. "Proper facilities" include at least satisfactory health and safety standards that meet legal requirements and the needs of learners.





93. The LSC requires those it funds to ensure, so far as is reasonably practical, that all learning takes place in a safe, healthy and supportive environment. The LSC uses its funding agreements and contracts to make clear this requirement and other expectations.
94. Learner health and safety is a fundamental value of the LSC. It is enshrined in the LSC's *Policy Statement on Learner Health and Safety* (LSC, 2004a) available on:  
<http://www.lsc.gov.uk/National/Documents/SubjectListing/ImprovingQuality/GuidanceandGoodPractice/LSCStatementHealthSafety.htm>
- For this purpose, it has developed the concept of the "Safe Learner". The Safe Learner concept provides the added value that funded organisations (such as training providers and colleges) can make in addition to ensuring a safe, healthy and supportive environment for learners.
95. More information about the LSC's approach to learner health and safety can be found in the LSC's *External Implementation Guide* (LSC, 2004b). available on:  
[http://www.safelearner.info/downloads/Implementation%20Guide%20A4\\_2.pdf](http://www.safelearner.info/downloads/Implementation%20Guide%20A4_2.pdf)

## The Safe Learner Concept

96. The Safe Learner concept was first introduced by the LSC in 2002. The LSC defines the Safe Learner concept as the situation in which
- The learner through the quality of their learning experience:
- gains an understanding of the importance of health and safety
  - understands how hazards are identified, risks are assessed and the principles of control measures
  - develops a set of safe behaviours, so that they play an active part in the process and acquire practical, transferable skills from their experience.
- The Safe Learner site can be accessed on: <http://www.safelearner.info/>
97. This LSC expects all LSC-funded organisations to promote the safe learner concept in addition to ensuring a safe, healthy and supportive environment through effective health and safety management.



# Information, Advice and Guidance

98. The Government Skills Strategy *21st Century Skills – Realising our Potential* (DfES 2003) recognises the important role information, advice and guidance has in helping people to understand the opportunities and support available to them.
99. Information Advice and Guidance (IAG) is at the heart of the Train to Gain offer to ensure learners access the most appropriate learning, remain engaged in their chosen course of learning and ultimately achieve a relevant qualification.
100. Specialist Skills Brokers will be responsible for the promotion of IAG services and their engagement in the workplace. Providers wishing to access the Train to Gain training provision offer must provide an IAG service for learning and skills accredited to the matrix Quality Standard or be working towards matrix accreditation appropriate to the IAG service being offered. IAG in learning can be sub-contracted by the Train to Gain approved learning provider to another agency as long as they are matrix accredited.
101. Where potential learners have yet to achieve a full Level 2 qualification IAG support will be delivered through the core **nextstep** contract (subject to local negotiation between the LSC, Skills Broker and **nextstep** contractor), however where IAG support needs to be provided to learners outside of this priority group local LSCs will need to consider how additional resources can be secured to vary the **nextstep** contract and enable additional IAG delivery to be funded.
102. The “assess, train, assess” model will be used to ensure learners receive the best possible service. Potential learners will be initially assessed to quantify existing levels of skills and are mapped against desired objectives. Suitable training will then be provided to meet the objectives. Once training is complete the learner is again assessed to ensure agreed outcomes have been achieved and future development of the learner is considered.
103. The IAG process for employees falls into three stages:
  - Pre-entry
  - Ongoing
  - Exit.

## Pre-entry

104. This should be a general information session for employees interested in participating in training providing details of learning options available and an opportunity for individuals to ask any questions they may have. This session can be delivered on an individual or group basis.
105. Individuals wishing to participate should have the option for a one to one session with an IAG provider. In this session the provider should:

- look at individuals training needs and identify appropriate learning (including screening for Skills for Life needs)
- discuss the benefits of learning
- provide advice on any issues or concerns e.g. course expectations, study skills etc.
- inform the employer of the next steps and advise them of the on-going support available.

## **On-going Support**

106. For all learners participating in the Train to Gain service there should be the option to access on-going information advice and guidance. This can be organised on an ad-hoc basis, as and when required.
107. Support can be requested through a variety of sources including e-mail, telephone, website, text messaging for example
108. The on-going support should include general learner support, and help to overcome any barriers to learning which if not addressed could lead to the individual “dropping out”.

## **Exit Stage**

109. The key to encouraging employees to continue in learning and develop their skills further is the provision of information, advice and guidance at the end of a period of learning such as exit information. Therefore IAG providers should arrange to see each learner to:
  - review their learning experience
  - discuss how this may be of benefit in their current role
  - complete an evaluation of their learning
  - consider other options for continuing learning related to their current and future roles
  - agree next steps.

## **Individual Learning Plan**

110. A written or electronic Individual Learning Plan (ILP) should be produced for each learner. The ILP should not duplicate the information recorded elsewhere. It should contain the details of what will be delivered, how it will be delivered, for example, by group work; workbook and so on and the way it will be delivered in the light of the learner’s learning styles and abilities. It should reflect the outcomes of Initial Assessment. Learner feedback indicates that learners often do not know about what they will be doing, when or how. This contributes to early drop out. The ILP should be the document that records these details. It should contain the



learning objectives of the programme they are following and how these will be achieved.

Only those learners without prior Level 2 attainment are eligible for funding. For further detail see page 19 “Eligibility”. In cases where contractual requirements have not been met and LSC funds have been paid in error, the LSC is obliged to recover those funds from the relevant provider, Skills Broker or employer.

111. The format and content of the ILP is at the discretion of the provider. However, an ILP is expected to include:
  - the skills, knowledge and competence required and the timescale over which they have to be achieved
  - the training the learner is to receive, where it is delivered and how it is scheduled, who is delivering it and what support is being provided
  - the methods that will be used to deliver training (including on- and off-the-job training)
  - how on and off-the-job training will be coordinated
  - the learner’s assessment and review arrangements.
112. The ILP should be reviewed regularly, and is an integral document in learner formal reviews, to reflect the growing capability of the learner, any new targets and the support needs that are being met. Where changes are made, these should be documented on review documentation or on the ILP itself. Changes should be agreed with the learner and, where appropriate, the employer. The learner should sign their agreement to the change on the review document that records that change.

## Basic Skills

113. Discrete Train to Gain funding can be used only for nationally approved Basic Skills provision designed to enable achievement of a first full NVQ Level 2 vocational qualification. Key Skills qualifications in Communications and Application of Number at Levels 1 and 2, and GCSEs in Maths and English are not eligible for discrete Train to Gain funding.
114. The nationally approved Certificates in Adult Literacy, Adult Numeracy and ESOL Skills for Life can be found on the DfES website at <http://www.dfes.gov.uk/section96/> and <http://www.dfes.gov.uk/section97/>.

115. Since learners who are assessed as having literacy, language (ESOL) or numeracy needs at Entry Level are unlikely to have the skills to be able to undertake and achieve a first full Level 2 vocational qualification, discrete Train to Gain funds will only be available for Basic Skills learning aims leading to Certificates in Adult Literacy, Adult Numeracy and ESOL Skills for Life at levels 1 and 2. In such cases the delivery of a basic skills learning aim will precede or run concurrently with delivery of Level 2 vocational provision.
116. Where an employee has basic skills needs at Entry level or already has a full Level 2 qualification or higher, Skills Brokers should ensure that their needs are met through other LSC-funded provision or through non-LSC funded provision funded by the employer, where this is appropriate.

### **Assessment of learner need**

117. The initial assessment of learner needs will determine the appropriate level of qualification required to meet those needs (and help the learner improve their skills) and indicate whether or not this is eligible for discrete funding (see paragraphs 113 to 116 above). Improvement within the Skills for Life Strategy is defined by, and measured as, a learner moving up a level of attainment from, for example, Entry 3 to Level 1. A learner assessed as already having skills at, for example, Level 1, has a need for provision at Level 2 in order to achieve measurable improvement.
118. Assessment may show that a learner already has a reasonable level of literacy or numeracy skills (and therefore no need for a separate basic skills qualification) but would nonetheless benefit from some on-course support to meet any residual needs and to ensure that they achieve their Level 2 vocational programme. Good practice suggests that this support should be provided as part of the Level 2 vocational programme and is already accounted for in the funding rates. It will therefore not be funded separately.
119. Following initial assessment, where a learner needs to improve skills in more than one subject area (for example both literacy and numeracy or language and numeracy) in order to be able to attain a first full Level 2 qualification, both learning aims, at either Level 1 or 2, can be funded through Train to Gain discrete funding. Funding should not support both literacy and language (ESOL) learning aims for the same learner as these programmes are designed to meet very similar needs.

### **Progression**

120. Train to Gain discrete funding should not be used to support more than one Basic Skills learning aim in any one subject (literacy/ESOL or numeracy). Eligible learners who wish to progress to a higher level of



attainment than that supported under Train to Gain should access provision funded through FE mainstream funding or by the employer.

The initial assessment of learner needs will therefore not only determine the appropriate level of support but also the most appropriate funding stream.

### **Good practice**

121. Train to Gain approved providers will be expected to follow good practice and ensure that basic skills provision is contextualised and embedded in the vocational programme where this is appropriate.

### **Changes to Skills for Life funding**

122. Skills Brokers will need to be aware that the LSC outlined funding priorities for 2006-2008 in Priorities for Success as support for the essential qualifications that people need to progress through learning and in the labour market.
123. For Skills for Life provision this has meant a greater emphasis on nationally approved qualifications, as published in Policy Requirements for Planning.
124. Funding changes from 2006/07 whereby the LSC will no longer fund areas identified below:
  - Very short Skills for Life programmes of three and six guided learning hours, traditionally delivered as 'taster' sessions or for diagnostic assessment are not funded. The LSC expects providers to manage appropriate learner assessment in the same way as for most other learning provision, through existing pre-course guidance, enrolment and on-course induction processes, and to incorporate diagnostic assessment into longer learning programmes leading to qualifications
  - External candidates who access stand-alone basic skills national tests are not funded. A test by itself confirms an individual's level of ability, but does not demonstrate improvement. The LSC expects providers who continue to offer stand-alone tests to charge a fee for this service.

## **Apprenticeships**

125. Train to Gain will be an important route to recruit employers to offer Apprenticeships.
126. Apprenticeships and Advanced Apprenticeships are supported by the WBL funding stream with varying levels of employer contribution required.



## **Employees Aged 16-25**

127. The Apprenticeship is the government's preferred option for vocational learners in this age group and they should be recruited onto the Apprenticeship programme wherever possible.
128. Apprenticeships provide not just the skills needed for today's jobs but also the knowledge and transferable skills that will enable employees to adapt to new employment situations in the future. They also deliver the skills that young people need to progress from Level 2 to level 3 and beyond to Higher Education.
129. With the longest time in the workforce this age group can benefit most from the Apprenticeship programme and that is why the policy of not providing funding for NVQ only funding for this age group has been implemented over the last 3 years.
130. It is recognised that this policy will place increasing demands for funding on the Apprenticeship programme and that whilst the Apprenticeship budget remains capped demand will have to be carefully managed.
131. In individual circumstances only, for example where an employee has a time limited employment contract that would make an Apprenticeship unfeasible, and the employee also satisfies the eligibility rules for Train to Gain core funding, NVQ only for 19-25 year olds will be fundable through Train to Gain discrete funds as an interim measure, with the aim of enabling the individual to continue their development to achieve a full Apprenticeship in the future.
132. The numbers enrolled on NVQ only will be closely monitored and the performance of Skills Brokers or providers who have significant numbers funded for NVQ only for this age group will be reviewed to ensure that Train to Gain is not viewed as a means of re-introducing funding for NVQ only for this age group.

## **Progression from Apprenticeships to Advanced Apprenticeships**

133. It is important that learners are engaged in programmes that are appropriate to their needs. WBL providers will be expected to ensure a good match between learners' needs and the learning programme. Providers should ensure that learners are not, for example, engaged on learning programmes that duplicate or repeat previous attainments, such as an Apprenticeship when a learner is capable of direct entry onto an Advanced Apprenticeship.
134. However, for some learners, progression from Apprenticeships directly onto Advanced Apprenticeships will be an appropriate learning route. Where such learners move directly from an Apprenticeship onto an Advanced Apprenticeships in the same occupational area, the higher programme is funded at the national rates. This will also apply when learners progress from an NVQ at Level 2 to an NVQ at Level 3 in the same occupational area.





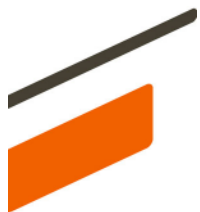
135. Providers should pay due regard to paragraph 133 on significant prior learning when calculating funding for those progressing from one level to another in that the learning programme must not duplicate previous attainments.

## Audit requirements

136. LSC funding for Train to Gain that is paid to providers, Skills Brokers and employers is sourced from public funds. The LSC will carry out audit work of the Train to Gain Service to gather assurance that public funds have been applied as parliament intended, properly accounted for and that contractual requirements have been met. Providers, Skills Brokers and employers should maintain evidence as described in Annex H, to support their contract delivery and claims for LSC funding.
137. In cases where auditors identify that contractual requirements have not been met and LSC funds have been paid in error, the LSC is obliged to recover those funds from the relevant provider, Skills Broker or employer.
138. Where the LSC carries out audit work of a sample of evidence that supports the provider, Skills Broker or employer's claims or payments under the contract, and identifies that errors in that evidence are material (as deemed by the LSC) then the LSC reserves the right to recover from the provider, Skills Broker or employer, or adjust future payments to the provider, Skills Broker or employer, an estimated amount.
139. The estimated amount is based on the error rate identified and the total value of the contract or the total value of the test population. Alternatively, the estimated error may be based on the error rate identified and a material element of the funding such as start fee payments or achievement payments.
140. Where a multi-site audit approach is used, which involves breaking the total sample down into several separate samples, the estimated error, where material, may be based on the error rate identified for the separate sample(s). The LSC will recover all the actual errors identified. The LSC has the right to recover from the provider any money paid on the basis of delivery volumes for which evidence of eligibility for funding required by the contract is lacking, or where the absence of an audit trail makes the location of evidence impossible.
141. Audit Evidence requirements are described at Annex H and in FE ILR Compliance Advice for 2006/07. This can be found at:

<http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/FurtherEducation/fe-ilr-funding-compliance-advice-0607.htm>





# Annexes

## Annex A: Area Cost Uplifts – London and South East

Further details showing which boroughs are in inner and outer London, and the definition on fringe areas. London will have specialist Area Cost rates for 2006/07.

<b>London A 1.20</b>	<b>London B 1.12</b>
Camden	Barking and Dagenham
Greenwich	Bexley
Islington	Havering
Kensington and Chelsea	Redbridge
Lambeth	Barnet
Southwark	Enfield
Westminster	Waltham Forest
Wandsworth	Bromley
Hackney	Croydon
Tower Hamlets	Kingston upon Thames
Lewisham	Merton
Newham	Richmond upon Thames
Haringey	Sutton
Hammersmith	Brent
Fulham	Ealing
	Harrow
	Hillingdon
	Hounslow
<b>Bedfordshire and Hertfordshire Non-fringe 1.03</b>	
Bedfordshire County Council	North Hertfordshire
Bedford	South Bedfordshire
Luton	Stevenage
Mid-Bedfordshire	
<b>Berkshire, Surrey and West Sussex Fringe 1.12</b>	
Surrey County Council	Runnymede
Bracknell Forest	Slough
Crawley	Spelthorne
Elmbridge	Surrey Heath
Epsom and Ewell	Tandridge
Guildford	Waverley
Mole Valley	Windsor and Maidenhead
Reigate and Banstead	Woking

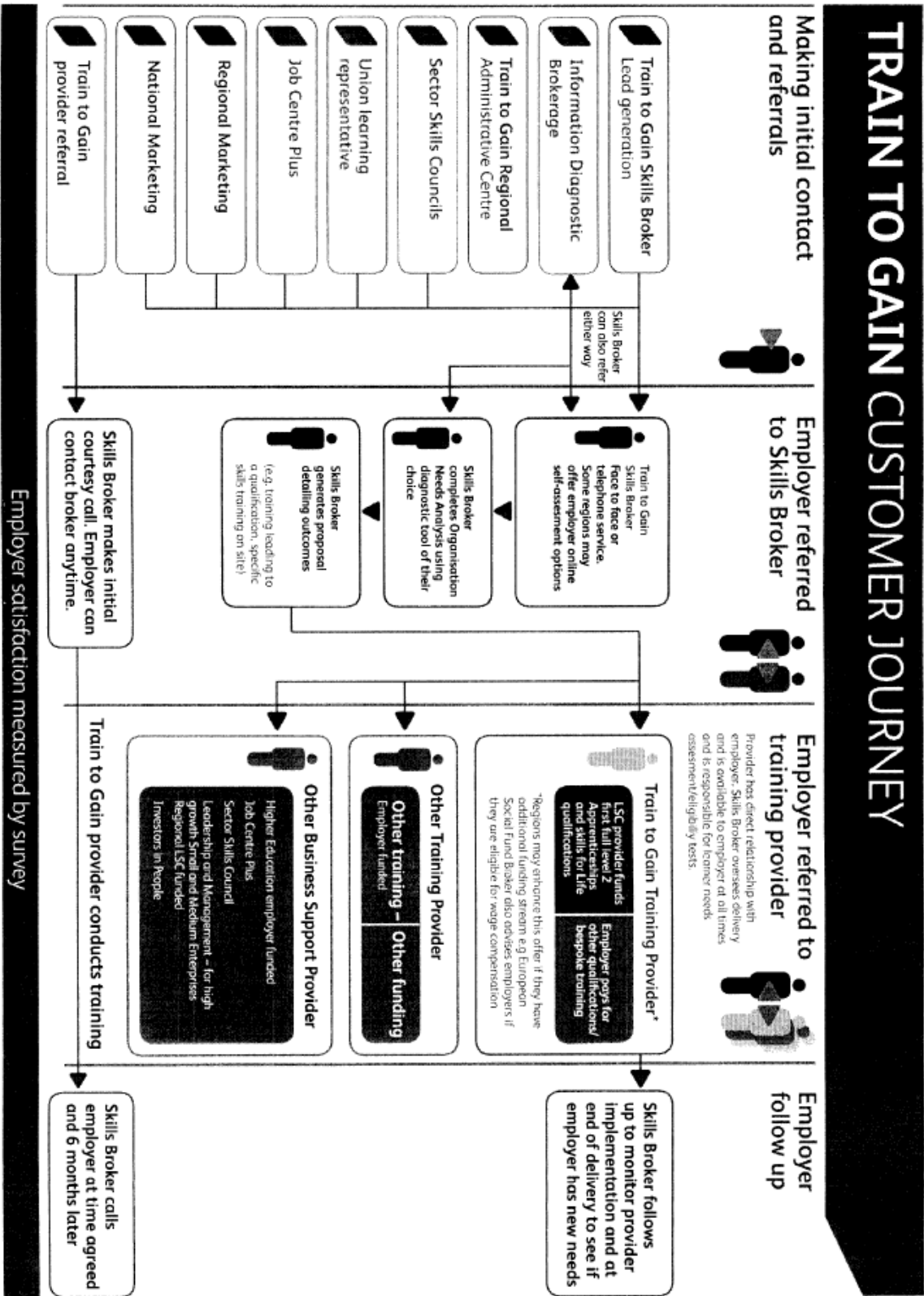
<b>Berkshire Non-fringe 1.12</b>	
Reading	Wokingham
West Berkshire	
<b>Buckinghamshire Non-fringe 1.07</b>	
Aylesbury Vale	Milton Keynes
Wycombe	
<b>Hampshire and Isle of Wight 1.02</b>	
Basingstoke and Deane	Havant
East Hampshire	New Forest
Eastleigh	Portsmouth
Fareham	Rushmoor
Gosport	Southampton
Hampshire County Council	Test Valley
Hart	Winchester
<b>Hertfordshire and Buckinghamshire Fringe 1.10</b>	
Broxbourne	South Bucks
Chiltern	St Albans
Dacorum	Three Rivers
East Hertfordshire	Watford
Hertsmere	Welwyn Hatfield
<b>Kent and Essex Fringe 1.06</b>	
Basildon	Harlow
Brentwood	Sevenoaks
Dartford	Thurrock
Epping Forest	
<b>Oxfordshire 1.07</b>	
Oxfordshire County Council	West Oxfordshire
Cherwell	Oxford
South Oxfordshire	Vale of White Horse
<b>West Sussex Non-fringe 1.01</b>	
Adur	Arun
Chichester	Horsham
Mid-Sussex	Worthing



# Annex B

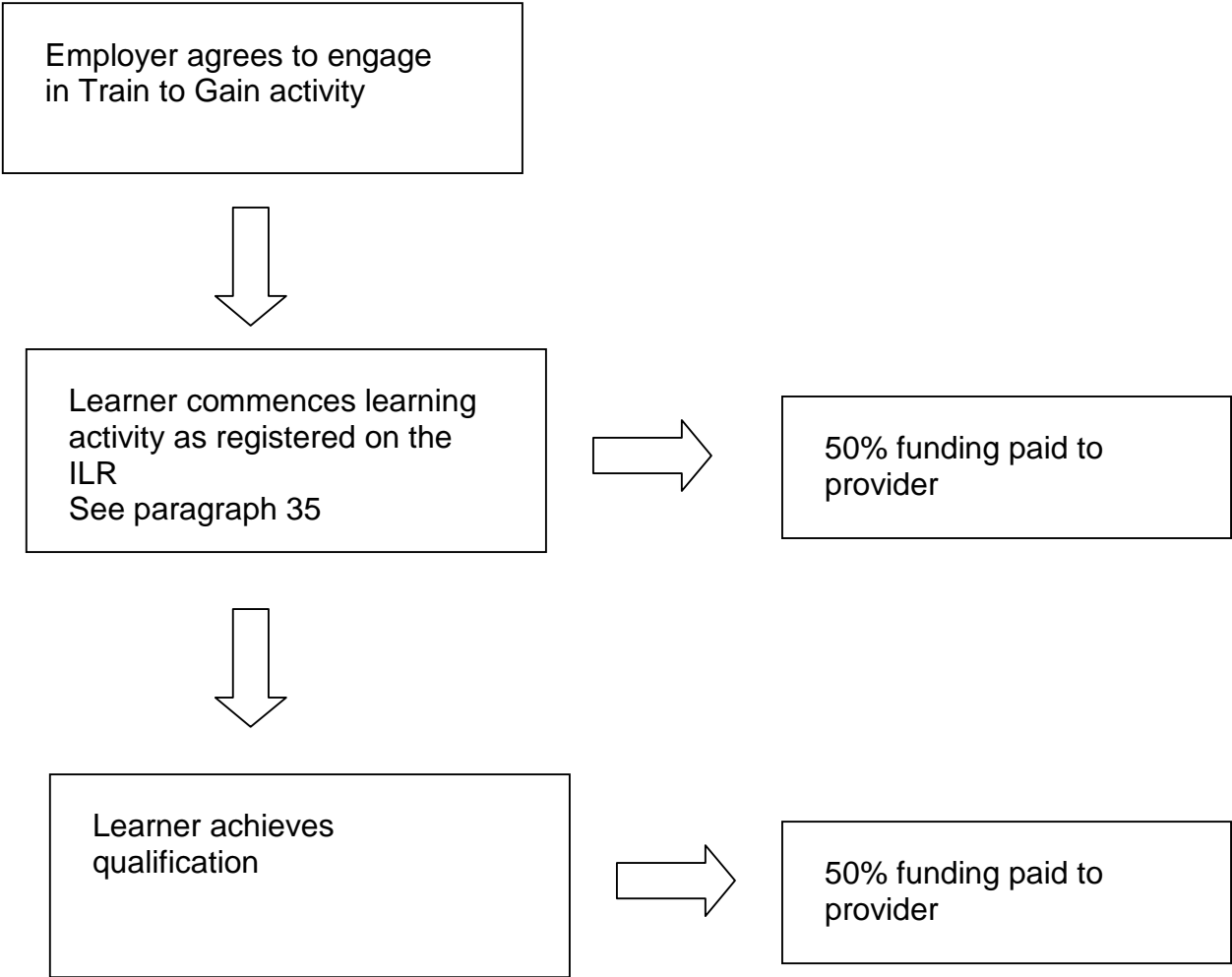


## Train to Gain Customer Journey





**Train to Gain Funding**



### **SELF-DECLARATION OF ELIGIBILITY FOR LEVEL 2 ENTITLEMENT**

The learner is eligible the Level 2 entitlement if they do not already have a first full Level 2 qualification or equivalent, which equates to a qualification equivalent in standard and breadth to 5 GCSEs at Level A\* - C.

All learners eligible under the Level 2 Entitlement must complete and sign a declaration of eligibility. This declaration must be counter signed by the employer and stamped / countersigned by the learning provider.

The declaration should be attached to the student's record and retained by the learning provider as a record of eligibility.

The question on which the declaration of eligibility is based is taken from the Labour Force Survey (LFS) about prior qualifications. The information given on prior qualifications should also be entered on the ILR

The form of words to be used by learning providers for the self-declaration is detailed on the following page.

## SELF-DECLARATION OF ELIGIBILITY FOR LEVEL 2 ENTITLEMENT

The Train to Gain Service is designed to raise the skill levels of people who are in work but do not already hold a Level 2 qualification.

The overall aim of the programme is to help those employees **without** the equivalent of 5 GCSE's (Grades A-C) already. Therefore, to take part you must tell us about **all** of your existing qualifications. If you have or are studying **any** of the following qualifications or a higher level qualification, we're sorry but you will not be eligible for 'Train to Gain' funding for a further NVQ Level 2 qualification. This list is not exhaustive.

School / College Qualifications	Vocational (work related) Qualifications
5 GCSE's (grades A-C) or 'O' Levels	BEC General Certificate / Diploma with Credit HND / HNC
5 CSE Grade 1's	Edexcel / BTEC 1 <sup>st</sup> Diploma or higher C & G Higher Operative or Craft
1 or more 'A' Levels	GNVQ Intermediate or higher NVQ Level 2, 3 or 4
2 AS Levels	Access Course

### Prior qualifications

Please indicate what qualifications you have completed in the past. Where you have no previous qualifications please state "None".

Details of qualification completed or currently undertaking (for example:- Title, module names, awarding body, institution where qualification taken)	Date qualification completed (state year where exact date unknown)	Level achieved

If required please continue on an additional sheet and attach to the Declaration.

### Declaration

'I confirm that all the information on this form is correct and I declare that I do not already have a full Level 2 qualification or above. I have a contract of employment and fulfil the residency regulations for the LSC in England. I understand that if I have declared false information the provider may take action against me to reclaim the tuition fees and any support costs provided.'

Learner Name (Please Print) ..... Signed (Learner) .....

Signed (Learning Provider) .....

Signed (Employer) .....

Date .....

Official Stamp of the Learning Provider



## Annex E

### Qualifications removing Level 2 entitlement

A learner holding one of the following qualifications at Level 2 and above would render them ineligible for fee remission under Level 2 Entitlement.

This list is designed to be descriptive of the qualification type which would render the learner ineligible and is not exhaustive.

#### Qualification

5 GCSEs grade A\* - C

5 'O' Level passes

5 CSE GRADE1

2 AS levels or more

1 A LEVEL or more

NVQ 2

NVQ 3

NVQ 4

INTERMEDIATE GNVQ or higher

Edexcel / BTEC First Diploma or higher

City & Guilds Craft part 2

Access Course

HND/HNC

First degree/Higher degree

## Annex F: National Employers

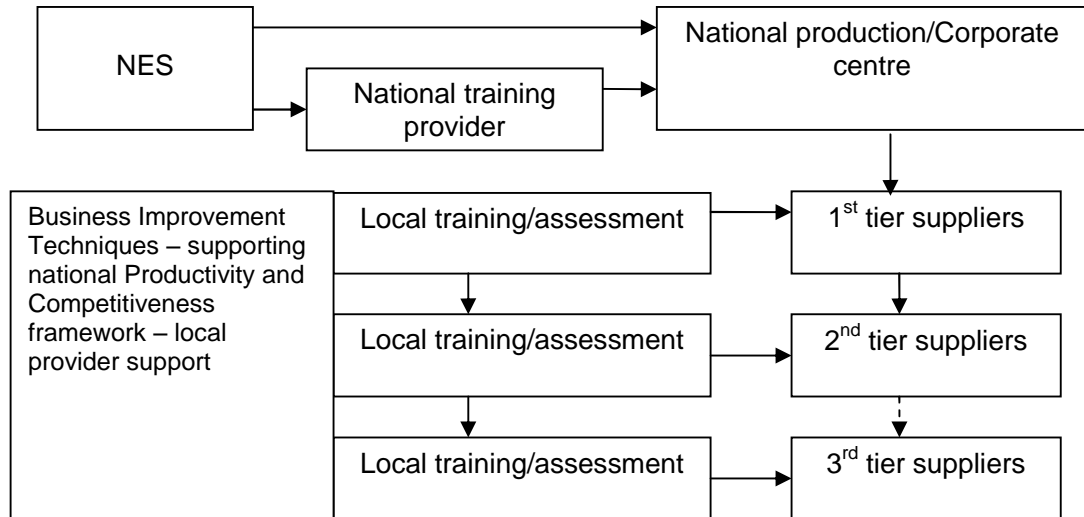
### National employers

1. The *National Employer Service (NES)* is responsible for managing the contracting arrangements with large national multi-site employers and providers who act on behalf of these employers. The purpose is to simplify the LSC's relationship with large employers and their representatives. This is done through an account management system. The aim is to make sure that large national employers can work with the LSC at a single point, while providing flexibility at local level to meet local needs.
2. NES contracts may be available to:
  - Large national employers with approximately 5000 employees and a centralised personnel and payment system who have the potential for at least 200 learners, 100 of which will be apprentices
  - providers acting for these national employers
  - providers set up by employers to provide a service to a specific industry sector
  - large multi-site public sector organisations.
3. National providers who deal with small- and medium-sized employers will not qualify for an NES contract. If providers have a mix of small-, medium-sized and large national employers, the NES will contract for the large employers only in line with the criteria detailed above.

### Large national employers - supply chain support

4. Where a large national employer has a significant supply chain then opportunities exist to engage at various levels.
5. This extends through to supply chains across a wide range of sectors, such as Construction and has been shown to have real business benefits which have directly addressed supply chain up-skilling. The figure on the next page illustrates typical linkages.

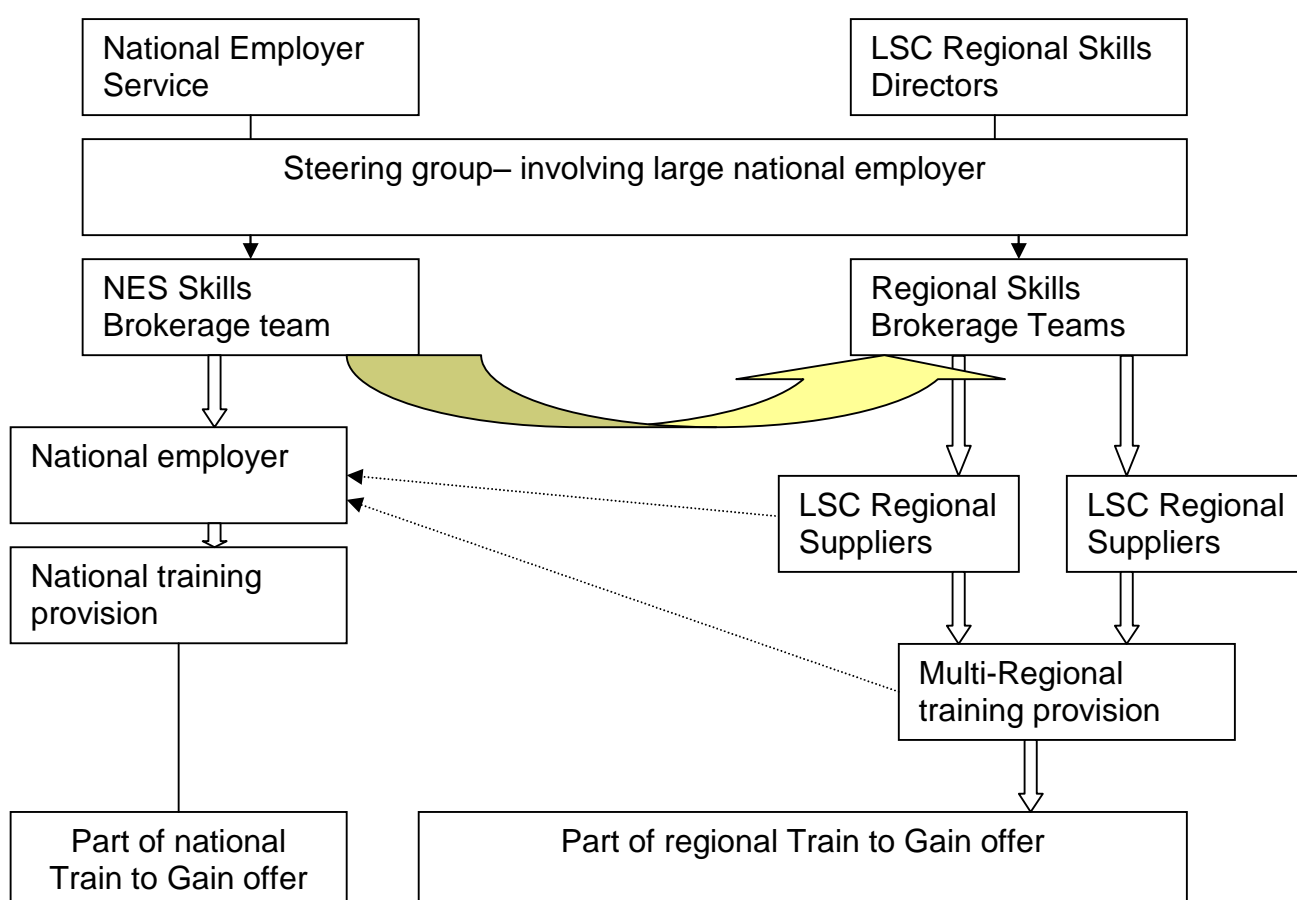




6. A protocol exists to ensure that regional and national brokerage services are able to work together to support large national companies and their supply chains with particular emphasis on the planning and delivery of Train to Gain provision within the employers.
7. The NES team will:-
  - Summarise supply chain activity along with an initial identification of key supply chain issues – to be agreed with national employer
  - Liaise with Regional Skills Directors (RSDs) to agree a plan - passing findings to Regional Skills Brokers (via the RSD) if agreed
  - Support the RSD – representing the national employer
  - Summarise activity to inform overall National Employer Service employer engagement.
8. Regional Skills Directors will:-
  - Use NES analysis to inform regional brokerage activity
  - Work with Regional Skills Brokers to produce a more detailed analysis of the regional supply chain and their specific training & development issues

- Use analysis to inform first stage proposals to be agreed with SMEs and others involved in the large employer supply chain
- Oversee and manage Train to Gain provider engagement and delivery to co-ordinate and measure outcomes across the supply chain within the region
- Summarise activity to feed back into overall dialogue with large national employer.

9. It must be stressed that activity supporting large national employer's staff could be eligible for National Employer Service Train to Gain support whereas activity supporting regional supply chain staff would be subject to normal regional/local Train to Gain operating principles as detailed above. Local/regional funding would support supply chain employers as it would support other Small and Medium Enterprises within the region.



## Annex G: Identifying, Meeting and Funding Additional Learning Needs

1. This overall area is detailed in the LSC policy statement on Additional Learning Support (ALS) available at:  
<http://www.lsc.gov.uk/National/Documents/SubjectListing/FundingLearning/AdditionalLearningSupport/default.htm>.

### Definitions

2. Under the Learning and Skills Act 2000 (the 2000 Act), the LSC has a duty to meet the needs of young people with learning difficulties and/or disabilities. In Chapter 21, paragraph 13 of the 2000 Act, a person is defined as having learning difficulties if:
  - he or she has a significantly greater difficulty in learning than the majority of persons of his or her age; or
  - he or she has a disability, which prevents or hinders him or her from making use of facilities of a kind generally provided by institutions providing post-16 education or training.
3. In addition the LSC will meet exceptional costs that are likely to exceed the notified threshold, when calculated using estimated costs, over the full length of the programme. Provision of specialist support and equipment for disabled learners will also be met from Exceptional Learning Support (ELS).



## **Annex H: Audit Evidence Requirements**

### **Provider Financial Management – Audit.**

1. Payments made to Skills Brokers, providers and employers under Train to Gain are provided from public funds. Audits will be carried out to gather assurance that contractual requirements are being met.
2. To support their claims for funding, providers, Skills Brokers and employers should therefore ensure that records and evidence are kept in accordance with the guidance in this Annex. While this annex details current evidence requirements for Train to Gain, it is not exhaustive and may need to be updated from time to time to reflect audit experience.
3. The LSC operates a risk based approach to auditing. This approach can lead to a reduction in audit activity where risk is assessed as low, in the interests of reducing unnecessary bureaucracy on providers and enabling audit resource to be targeted to higher risk areas. Where non-compliance is identified that result in public funds being paid in error, the LSC is obliged to recover those funds.
4. In addition to on-site testing, the LSC makes use of the data self-assessment toolkits (DSATs) and analytical review in its assessment of providers and other organisations it funds. DSATs information can assist in the identification of areas where testing is needed and also lead to lower levels of on-site substantive checking where reliance can be placed on the data submitted.
5. The contractor is liable for ensuring that LSC contractual requirements are met if provision is sub-contracted. The evidence requirements set out in this Annex therefore apply to any sub-contracted provision. Copies of sub-contractor agreements should be retained.
6. Where requirements for funding indicate that prior approval should be sought from the LSC, documentary evidence for such approval should be retained for audit purposes. Retrospective approvals will not normally be given.
7. In the interest of reducing bureaucracy on providers, wherever practical and reasonable LSC Auditors will seek to place reliance on evidence that is naturally generated in the course of learning and business administration. These evidence requirements have been drafted to reflect this.



## **Evidence to be retained by Providers**

### Data returns

8. The LSC requires fully completed, comprehensive and accurate documentation to support data returns. This includes:
- a) ILR forms to support all data transmitted to the LSC using the internet-based data collection systems which should be signed by the provider and the learner. ILR forms must be completed in blue or black ink
  - b) Correction fluid must not be used on the ILR or other key evidence provided to support funding claims
  - c) Any alteration to the ILR must be crossed through and initialled by the person authorised to make changes
  - d) The ILR and all supporting evidence shall be available at the time the data return is sent to the LSC.

### Evidence to Support Learner Eligibility for Train to Gain.

9. The LSC requires the provider to determine whether a learner is eligible for *LSC funding* and eligible *to participate* in Train to Gain. Eligibility requirements are detailed at Paragraphs 52 to 71 of *Requirements for Funding Train to Gain 2006/7*.
10. The LSC has adopted a common set of learner eligibility criteria for all Train to Gain, Further Education (FE) and Work Based learning (WBL) funding streams. These are set out at paragraphs 52 to 71 of *Requirements for Funding Train to Gain 2006/7*. Providers are responsible for checking that only learners who satisfy those conditions are recruited to Train to Gain.
11. A common practice used by WBL providers is to develop a checklist for inclusion in each learner file covering the conditions given at paragraphs 52 to 67 of *Requirements for Funding Train to Gain 2006/7*. The checklist can be a helpful aide-memoire for provider staff checking learner eligibility and if signed off can provide evidence that the provider is satisfied that the learner is eligible for LSC funding.
12. Where a learner is a not ordinarily resident in the UK (see paragraph 66 of *Requirements for Funding Train to Gain 2006/7*) copies of Home Office documentation are required as supporting evidence, for example, a copy of a passport or Home Office, Immigration and Nationality Department letter confirming residency or right of abode status.



13. The following evidence confirming the learner is eligible to participate in Train to Gain is required:

- a) evidence that a contract of employment between the learner and their employer that demonstrates that the learner is an employee, is in place (paragraph 52)
- b) a self declaration (see Annex D) completed and signed by the learner and checked and countersigned by the provider to confirm the learner does not already possess full Level Two qualification (paragraph 52)
- c) Documentary evidence of initial assessment including an individual training needs analysis (paragraph 105)
- a) Evidence of initial assessment that clearly demonstrates whether the learner should be funded at the higher or the lower rate, if funded at higher rate there must be evidence of demonstrable need of at least 20 hours of learning consisting of underpinning knowledge and understanding (See Paragraph 19)
- b) evidence of an induction being carried out that satisfies the requirements of Paragraph 88
- c) a copy of the Individual Learning Plan (ILP) meeting the requirements of paragraphs 110-112 signed by the learner, the provider and the employer
- d) evidence of pre-entry information advice and guidance as detailed in paragraphs 104-105
- e) evidence that the learner is working towards a learning aim that is eligible for funding under Train to Gain (paragraphs 81 to 87).

Evidence to Support Start Payments.

14. The following evidence should be retained in respect of each individual learner to support claims for start payments:

- a) evidence of learner eligibility as in paragraphs 9 to 13 above)
- b) evidence that demonstrates that the learner has actively participated in the structured learning programme as detailed in their individual learning plan for at least two hours duration.

Evidence to Support Learner Participation in Train to Gain.

15. The following should be retained to provide evidence of learner participation in Train to Gain:

- a) evidence that the learner is working towards or making progress towards the learning aims identified in their learning plan
- b) Documentary evidence to confirm the number of hours of contact time between the provider and the learner
- c) where progress is not being made evidence to support the actions taken to address this
- d) evidence of regular review in accordance with the ILP
- e) written evidence of on-going IAG support if required in line with Paragraphs 104 -105 guidance.

#### Qualification achievement (including Basic Skills)

16. The following evidence will be required:

- a) evidence that (at the time of award) the qualification is current and approved
- b) evidence that the learner was registered with an awarding body for the qualification before the last QCA entry date
- c) for providers that have been approved for direct claims status by the awarding body evidence from the internal verifier that the qualification has been achieved is acceptable (for confirmation auditors may request copies of achievement certificates to be sent to the LSC on receipt from the awarding body)
- d) providers that have not been approved for direct claims status need evidence from the awarding body that the qualification has been achieved
- e) evidence that the qualification is a full Level 2 qualification (or Level 3 if appropriate) as those so identified on the LSC Learner Aims Database
- f) copy of the qualification certificate from the relevant awarding body within 3 months of achievement.

#### Withdrawal from learning.

17. The provider should hold the following evidence to support the date of leaving recorded on the ILR:

- a) documentary evidence of that clearly demonstrates when the learner last actively participated in continued structured learning. This may be the last date of evidenced attendance on a training course, assessment, or other documentation which demonstrates that the learner was in continued structured learning as detailed in their individual learning plan



- b) written notice of termination from the programme
- c) Written evidence of the exit stage IAG as per Paragraph 109.

#### Additional Learner Support.

- 18. Additional learner support should only be claimed when documented approval from the local LSC approving requests for additional learning support is held.
- 19. Claims should be supported by invoices that provide evidence of expenditure incurred on approved additional learner support activity.

#### Basic Skills

- 20. Where Basic Skills funding is being claimed then the provider must retain written evidence of the learner's need. This should be a copy of the Basic Skills Agency or LSC approved equivalent test result confirming that the learner has Basic Skills requirements in accordance with Paragraphs 113 – 116.
- 21. The provider must be able to demonstrate that the learner is progressing towards an approved Basic Skills qualification as detailed in Paragraphs 113 – 120.

#### Evidence to support Wage Subsidy Payments

- 22. Providers are required to maintain evidence in support of employers claims for contribution to wage cost payments:
  - a) evidence that the learner meets the eligibility criteria (see paragraph 2) to access Train to Gain
  - b) records that clearly demonstrate the number of hours the learner has actively participated in the structured learning programme detailed in the individual learning plan. The format of this record is not prescriptive other than that it should be agreed and signed by both learner and provider
  - c) a copy of the signed confirmation from the employer and learner of the total number of release hours for learners for whom wage subsidy is being claimed.

#### **Evidence to be retained by Skills Brokers.**

#### Evidence to Support Employer Eligibility for Train to Gain (Direct Referral).

- 23. The LSC requires the Skills Broker to ascertain whether an employer is eligible



to access the Train to Gain Service. Eligibility requirements are detailed at Paragraphs 72 to 80. The Skills Broker should retain evidence to support their assessment of the eligibility of all employers. This must clearly evidence or be supported by further evidence that the employer was eligible to access the Service.

#### Evidence to Support Wage Subsidy Payments.

24. The Skills Broker must retain documentary evidence of employer eligibility to receive contribution to wage cost payments:

- a) evidence that the employer has less than 50 Full Time Equivalent (FTE) employees
- b) evidence that the learner has achieved their first full Level 2, Basic Skills or level 3 (jumpers) qualification
- c) evidence that the provider, employer and learner have each signed off the confirmation of release hours for training pro-forma
- d) evidence that the learner has achieved the qualification
- e) A copy of the employers contribution to wage cost claim as submitted to the Skills Broker, signed by a person with sufficient authority at the employer e.g. director or senior manager.

#### Evidence of Employer Bank Account Details.

25. Employers bank account details should be provided to the LSC on the employer's letter headed paper and signed by a person with the authority to release this information. For example, director, accountant, office manager or other delegated person with sufficient authority.

#### Key Performance Indicators

26. Skills Brokers monthly returns as submitted to the LSC via the National broker portal website provide the primary data for calculation of Skills Broker earnings. Consequently Skills Brokers should maintain documentary evidence that support all management information submitted via the portal.

27. The Table below illustrates the types of evidence expected, to support the four key performance indicator statistics that are mandatory. Other key performance indicators will vary across LSC regions to reflect regional priorities. Skills Brokers are advised to agree evidence requirements for these with their LSC Regional Audit Manager on similar lines to the examples given in the Table below.

Table 1 – Mandatory Key Performance Indicators.

Key Performance Indicator	Evidence examples
Number of employers contacted	Contact register detailing date, employer name, address, name of employer contact and the initials or signature of the person making the entries in the register
Number of employers contacted that are hard to reach	Completed customer relationship management system entry plus a documented organisational needs analysis and a proposal signed by the employer
Number of employers contacted that are new employers	Completed Customer Relationship Management system entry plus possible organisational needs analysis
Number of proposals	Completed Customer Relationship Management system entry plus possible signed proposal document
Agreed number of referral outcomes	Completed customer relationship management system entry plus a documented organisational needs analysis and a proposal signed by the employer. In addition each region will agree locally the specific evidence required to confirm referrals e.g. a letter or hard copy of an e-mail from the broker to provider confirming the details of the referral. As a minimum this would include the details of the employer, the learner and the training required.

### **Evidence to be Retained by Employers**

28. Employers should retain and make available to the LSC and its agents on request at all reasonable times, the following evidence:

- a. evidence of participating employees contracts of employment
- b. payroll records that demonstrate actual wage costs



- c. evidence to confirm number of employees
- d. from time to time LSC auditors may also wish to interview participating learners
- e. accounting records that confirm receipt of wage subsidy payments (bank statements).

Document Retention Period – All Evidence.

29. Document retention requirements are detailed at paragraph 2.1 of Schedule 3 to the LSC General Terms and Conditions.

## Annex I: Glossary

This section provides detailed definitions of some of the key terms used in this document and in the funding agreement. It also provides definitions of terms, phrases and abbreviations and acronyms that are used in this document.

### **Actual leaving date**

The date that the learner completed his or her learning activity, or the date when the learner is deemed to have terminated the learning activity if this is an earlier date, as set out in the ILR guidance (Specification of the Individualised Learner Record for 2006/07).

### **Additional learning support**

Additional learning support (ALS) is the generic term for support provided to the learner to address their learning needs.

### **Advanced Apprenticeships**

Advanced Apprenticeships are the preferred route for all young people aged 16–24 who are capable of achieving an NVQ at Level 3.

### **Apprenticeships**

Apprenticeships are the preferred route for all young people aged 16–24 who are capable of achieving an NVQ at Level 2.

### **Approved qualification**

An approved qualification is a current qualification and is approved for funding and listed on the LSC's Learning Aims Database under the full Level 2 definition at: <http://providers.lsc.gov.uk/LAD/aims/searchcriteria.asp>.

### **Disability**

The Disability Discrimination Act 1995 describes a person as having a disability if he or she 'has a physical or mental impairment which has a substantial and long-term adverse effect on his ability to carry out normal day-to-day activities'. Guidance about the terms used within the definition, and what is meant by 'day-to-day activities' is given in the Disability Discrimination Act 1995 Part 1, and in *Guidance on Matters to be Taken into Account in Determining Questions Relating to the Definition of Disability*, published by The Stationery Office (ISBN 0-11-270955-9).

### **EC national**

An EC national is defined as a national of any member state of the European Community or Union.



### **EC new EU member states from 1 May 2004**

The new joining countries are: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

### **Employed or employment**

'Employment' includes full or part-time work, and permanent, temporary or casual paid employment under a contract of employment. It excludes taking part in voluntary work or other work that is not subject to a contract of employment.

### **Employed status**

A learner has employed status if they are under a contract of employment. This includes self-employment.

### **Gained**

This is the date that an outcome is determined or an approved qualification is achieved (which means the date when a certificate or any other acceptable evidence is first issued). For providers with direct claim status, the date of achievement is the internal verification date. For providers without direct claim status, the date of achievement is the external verification date.

### **Graduate**

A graduate is a person who has obtained an HE qualification at Level 5 or has been awarded a first degree by a recognised university or other recognised HE institution.

### **Hard to Reach (employers)**

Those without Investors in People recognition and have not accessed substantial vocational training leading to a qualification within the last 12 months.

### **Individual Learning Plan**

Individual Learning Plans (ILPs) are agreed between the learner and the provider. ILPs set out the action to progress the learner into an agreed programme of learning.

### **Individualised Learner Record**

The Individualised Learner Record (ILR) is used to record all relevant funding data about LSC-funded WBL learners by providers. See the LSC's ILR guidance

*Specification of the Individualised Learner Record* at:

<http://www.lsc.gov.uk/National/Partners/Data/DataCollection/ILR/ILR0607.htm>

### **Learner**

An employee who has undertaken learning as a result of a Train to Gain referral.

## **Learning**

'Learning' is defined as a process of planned activities that the learner engages in, and which is specifically designed for imparting the knowledge, skills and competence that are relevant to effective participation in the labour market.

## **Learning opportunity**

This is an opportunity offered to an eligible person to engage in and to complete suitable full-time learning (or, where the Funding Agreement permits and the eligible person so elects, suitable part-time learning as specified in the ILP).

## **Level 3 Jumpers**

Learners who do not already possess a full level two qualification are also eligible for Train to Gain if they go straight to a full Level 3 qualification.

## **National Employer Service**

The National Employer Service (NES) has responsibility for managing the contracting arrangements with large national multi-site employers and providers who act on behalf of these employers. The purpose of having an NES is to simplify the LSC's relationship with large employers and their representatives. This is done through an account management system. The aim is to make sure that large national employers can work with the LSC at a single point, while providing flexibility at local level to meet local needs. The NES website is at: <http://nes.lsc.gov.uk/default.htm>.

## **National Rates Advisory Group**

The National Rates Advisory Group (NRAG) is an LSC advisory group that recommends funding rates for all types of provision funded by the LSC.

## **NVQ learning**

This refers to training provision that meets NVQ standards at Levels 1, 2, 3 or 4.

## **Outcome**

The outcome of a learning programme is the achievement by learners of an approved qualification. This is either a copy of the NVQ certificate or pass list from the awarding body

## **Refugee**

A refugee will be someone with humanitarian, indefinite, limited or exceptional leave to remain in the United Kingdom. A refugee seeking entry onto DfES-funded



training programmes must have the appropriate Home Office documentation giving him or her permission to train and work in the UK.

### **Start**

A start is considered to be when a learner takes part in a least one learning activity with the training provider. It is likely to involve direct face-to-face contact with a member of the provider's staff. The activity has to involve learning that is more than an administrative enrolment process but can include the individual's advice and guidance and the development of a learning plan.

The provider will maintain auditable evidence of the first learning activity. The evidence will need to include at least an Individual Learning Plan, enrolment onto an identified course of learning and evidence the learner has attended structured learning or assessment of at least 2 hours.

## Annex J: Funding 1 April to 31 July 2006

1. The funding arrangements are very similar to the current Employer Training Pilots (ETPs). The funding rates for training Level 2 and basic skills are unchanged. The funding rates separately show the payments for initial advice/ guidance (IAG) and for training needs analysis (TNA) for individual learners. The total column is the enable comparisons with the new funding rates from August 2006. These rates are expected to cover all costs including qualification registration and examination fees.

Training to Gain Funding Rates				
Learners starting between 1 April and 31 July 2006				
First full level 2				
Sector	Participation	TNA	IAG	Total
Agriculture	£1,000	£60	£50	£1,110
Construction	£1,200	£60	£50	£1,310
Engineering	£1,200	£60	£50	£1,310
Manufacturing	£1,200	£60	£50	£1,310
Transportation	£1,200	£60	£50	£1,310
Management & Professional	£1,000	£60	£50	£1,110
Business Administration	£800	£60	£50	£910
Retail & Customer Service	£800	£60	£50	£910
Leisure, Sport & Travel	£800	£60	£50	£910
Hospitality	£800	£60	£50	£910
Hair and Beauty	£1,000	£60	£50	£1,110
Health, care and Public Services	£1,000	£60	£50	£1,110
Media & Design	£1,000	£60	£50	£1,110
Skills for Life (A)	£500	£60	£50	£610
Skills for Life (B)	£600	£60	£50	£710

2. These are the funding rates for successful learners. The payments will be made using the profile of:
  - 50% for learners starting programmes (in effect, both the ETP start and mid-point payments will be paid at the start of the programme)
  - 50% for learners successfully completing their programmes and achieving the qualifications.

### Area Costs

3. These rates will apply across the whole country. For learners starting between April and July 2006 there will be no additional funding for

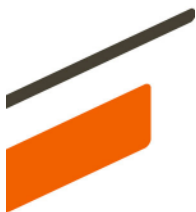




providers based in London and the south-east of England. Area costs for London and the south-east will be introduced for new learners from 1 August 2006.

## **Claiming Funding**

4. For learners starting between 1 April 2006 and 31 July 2006 the same arrangements as currently apply to ETP will operate.



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You can also find this document on our  
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